

ESTIMATED BUDGET EFFECTS OF THE CONFERENCE AGREEMENT FOR H.R. 2488

Fiscal Years 2000 - 2009

[Millions of Dollars]

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
I. Broad-Based and Family Tax Relief Provisions													
A. Reduction in Individual Income Taxes - 15% rate reduced to 14.5% in 2001 and 2002, 14% in 2003 and thereafter; all other rates including AMT reduced by 1 percentage point in 2005; increase 14% bracket width for non-joint returns by \$3,000 in 2006; sunset after 2008	tyba 12/31/00	---	-7,927	-11,585	-20,207	-25,176	-37,718	-50,819	-54,740	-57,297	-17,105	-64,895	-282,574
B. Family Tax Relief													
1. Elimination of marriage penalty in standard deduction - standard deduction for joint return set at two times single standard deduction, phased in over 5 years; increase width of 14% bracket to 2 times the single bracket, phased in over 4 years beginning in 2005, sunset after 2008	tyba 12/31/00	---	-748	-1,841	-2,827	-3,921	-8,163	-17,724	-22,076	-27,563	-28,018	-9,337	-112,881
2. Marriage Penalty Relief Relating to the Earned Income Credit - increase the income starting and ending point for the earned income credit for married couples filing joint returns by \$2,000 indexed after 2006 (phaseout rate stays the same)	tyba 12/31/05	---	---	---	---	---	---	-263	-1,315	-1,302	-1,283	---	-4,163
3. Tax exclusion for certain foster care payments	tyba 12/31/99	-6	-14	-21	-29	-37	-44	-52	-61	-70	-80	-106	-414
4. Expansion of adoption credit - for special needs adoption only, eliminate expense requirement and allow a \$10,000 tax credit for special needs adoptions beginning in 2001	tyba 12/31/00	---	-8	-28	-30	-33	-36	-39	-41	-42	-43	-99	-300
5. Increase the dependent care tax credit - increase percentage to 35% for AGI under \$30,000; increase percentage to 40% in 2006; index maximum expense limits for inflation; percentage phases down in 1% increments, but not below 20%, for each \$1,000 of AGI over \$30,000; expand allowable expenses to \$200 per month for all children under age 1 beginning in 2006	tyba 12/31/01	---	---	-71	-291	-313	-328	-541	-1,135	-1,093	-1,134	-675	-4,907

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
C. Repeal of Alternative Minimum Tax on Individuals - make permanent the present-law provision to allow nonrefundable personal credits against the individual AMT, effective for 1999 and thereafter; repeal 90% limit on foreign tax credits effective for taxable years beginning after 12/31/01; phaseout the individual AMT by paying the following percent of AMT liability: 80% in 2005, 70% in 2006, 60% in 2007, repeal in 2008; unused AMT credit carryovers as of repeal may be used to offset 90% of regular tax (repeal eliminates AMT marriage penalty); sunset after 2008	tyba 12/31/98	-980	-1,028	-1,529	-2,190	-3,465	-5,369	-9,081	-15,098	-30,835	-33,275	-9,192	-102,850
Total of Broad-Based and Family Tax Relief Provisions		-986	-9,725	-15,075	-25,574	-32,945	-51,658	-78,519	-94,466	-118,202	-80,938	-84,304	-508,089
II. Savings and Investment Tax Relief Provisions													
A. Capital Gains Tax Relief													
1. Reduce long-term capital gains rates from 20% and 10% to 18% and 8%; reduce the rate at which section 1250 deductions are recaptured from 25% to 23%; indexing for assets purchased after, and for inflation occurring after 12/31/99; on 1/1/00, mark-to-market assets purchased before 2000 to qualify for indexing; sunset the rate reductions and indexing on 12/31/08	da 12/31/98	-1,233	15,505	-4,318	-5,874	-6,517	-7,129	-7,759	-8,091	-7,578	517	-2,437	-32,477
2. Reduce tax on capital gains of designated settlement funds to individual capital gains rates under the bill	tyba 12/31/99	-12	-59	-67	-75	-85	-96	-110	-123	-137	-153	-298	-917
3. Suspend 5-year holding period requirement relating to gain on sale of principal residence for members of the uniformed services and the foreign service serving outside the area in which the residence is located	sa DOE	-5	-12	-13	-13	-14	-14	-15	-15	-16	-16	-57	-133
4. Suspend 5-year holding period requirement (for a maximum of 5 years) relating to gain on sale of principal residence by employee who is sent out of the United States by an employer	sa DOE	-18	-26	-28	-29	-30	-31	-32	-33	-34	-35	-131	-296
5. Clarify the tax treatment of income and losses from derivatives	DOE	[1]	1	1	1	1	1	1	1	1	1	4	9
6. Modify treatment of worthless securities of certain financial institutions	sbwi tyba 12/31/99	-8	-12	-12	-11	-11	-10	-10	-10	-10	-10	-58	-108
B. Individual Retirement Arrangements													
1. Set the annual contribution limits for all IRAs to \$3,000 for 2001 through 2003, \$4,000 for 2004 and 2005, \$5,000 for 2006 through 2008, and \$2,000 for 2009 and thereafter	tyba 12/31/00	---	-618	-1,324	-1,532	-2,391	-3,335	-4,096	-4,885	-5,347	-3,900	-5,865	-27,429
2. Increase the AGI phaseout ranges for contributions to Roth IRAs to \$100,000 - \$110,000 single, \$200,000 - \$210,000 joint	tyba 12/31/02	---	---	---	-8	-53	-139	-244	-359	-502	-655	-61	-1,960

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
3. Increase the income limit for conversions of an IRA to a Roth IRA to \$200,000 for joint filers	tyba 12/31/02	---	---	---	461	1,172	458	-611	-981	-601	-198	1,634	-299
4. Employers permitted to establish a separate IRA fund in their tax-qualified plan to accept IRA contributions from employees	tyba 12/31/99	----- Negligible Revenue Effect -----											
5. Increase in maximum contribution limits for IRAs for individuals age 50 and above by 10% annually beginning in 2001, not to exceed 50%; sunset 12/31/08	yba 12/31/00	---	-74	-228	-408	-518	-539	-564	-537	-493	-334	-1,227	-3,694
Total of Savings and Investment Tax Relief Provisions		-1,276	14,705	-5,989	-7,488	-8,446	-10,834	-13,440	-15,033	-14,717	-4,783	-8,496	-67,304
III. Alternative Minimum Tax Reform Provision													
1. Corporate AMT - repeal 90% limit on foreign tax credit and net operating losses effective for taxable years beginning after 12/31/01; allow any AMT credit carryover to reduce minimum tax by 50% but not below regular tax for taxable years beginning after 12/31/04	generally tyba 12/31/04	---	---	-403	-774	-620	-1,193	-1,443	-1,299	-1,169	-1,052	-1,797	-7,952
Total of Alternative Minimum Tax Reform Provision		---	---	-403	-774	-620	-1,193	-1,443	-1,299	-1,169	-1,052	-1,797	-7,952
IV. Education Savings Incentive Provisions													
1. Education savings accounts (formerly "Education IRAs") - increase the annual contribution limit to \$2,000; expand the definition of qualified education expenses to include elementary and secondary education expenses (and after-school programs); allow ESAs to be used for special needs beneficiaries; allow corporations and other entities to contribute to ESAs; allow contributions until April 15 of following year; and allow taxpayer to exclude ESA distribution from gross income and claim HOPE or Lifetime Learning credit as long as they are not used for same expenses	tyba 12/31/00	---	-46	-152	-230	-311	-394	-475	-566	-651	-726	-739	-3,552
2. Prepaid Savings Plans - State-sponsored plans: exclusions for distributions for education expenses, beginning in 2000; private plans: tax deferral on income beginning in 2000; exclusion for distributions for education expenses beginning in 2004; allow tax-free education withdrawals from prepaid savings plans as long as they are not used for the same expenses for which HOPE or Lifetime Learning credits are claimed, beginning in 2000; miscellaneous other changes (clarify definition; one rollover per year)	tyba 12/31/99	-6	-21	-35	-54	-78	-110	-144	-178	-210	-244	-195	-1,081

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
3. Exclude from tax awards under the following programs: National Health Corps Scholarship program, beginning in 1994; F. Edward Hebert Armed Forces Health Professions Scholarship program, beginning in 1994; National Institutes of Health Undergraduate Scholarship Program, beginning in 1994; and similar State-sponsored scholarship programs, beginning in 2000;	tyba 12/31/93 & tyba 12/31/99	-3	-3	-3	-3	-3	-4	-4	-4	-4	-5	-16	-36
4. Extension of employer provided educational assistance - extend the exclusion for undergraduate courses through 2003 [2]	1/1/00	-134	-318	-394	-421	-151	---	---	---	---	---	-1,419	-1,419
5. Provide new 4-year expenditure schedule for bonds for public school construction under the arbitrage rebate rules	bia 12/31/99	-13	-120	-236	-274	-292	-307	-310	-305	-300	-293	-935	-2,450
6. Increase the school construction small issuer arbitrage rebate exception from \$10 million to \$15 million	bia 12/31/99	[3]	-2	-4	-5	-13	-14	-14	-15	-16	-17	-25	-102
7. Increase student loan deduction income limits for single taxpayers by \$5,000 and adjust the income limits for married couples filing joint returns to twice that of a single taxpayer; phase-out range of \$15,000 for both; repeal 60-month rule	tyea 12/31/99	-46	-193	-223	-253	-288	-295	-305	-315	-325	-337	-1,004	-2,582
8. 2% floor on miscellaneous itemized deductions not to apply to qualified professional development expenses; with \$1,000 cap	tyba 12/31/00	---	-5	-10	-10	-10	-5	---	---	---	---	-35	-40
Total of Education Savings Incentive Provisions		-202	-708	-1,057	-1,250	-1,146	-1,129	-1,252	-1,383	-1,506	-1,622	-4,368	-11,262
V. Health Care Provisions													
1. Provide an above-the-line deduction for health insurance expenses - 25% in 2002 through 2004, 35% in 2005, 65% in 2006, and 100% thereafter	tyba 12/31/01	---	---	-444	-1,379	-1,477	-1,803	-3,137	-5,878	-8,299	-8,848	-3,300	-31,264
2. Provide an above-the-line deduction for long-term care insurance expenses - 25% in 2002 through 2004, 35% in 2005, 65% in 2006, and 100% thereafter	tyba 12/31/01	---	---	-48	-328	-364	-417	-677	-1,315	-2,027	-2,146	-741	-7,323
3. Allow long-term care insurance to be offered as part of cafeteria plans; limited to amount of deductible premiums [4]	tyba 12/31/01	---	---	-104	-151	-171	-190	-202	-204	-215	-247	-426	-1,484
4. Provide an additional dependency deduction to caretakers of elderly family members	tyba 12/31/99	-180	-276	-275	-283	-304	-324	-350	-394	-418	-428	-1,317	-3,231
5. Increase the time period for measuring eligible expenses qualifying for the orphan drug tax credit	eia 12/31/99	-5	-8	-9	-10	-10	-11	-12	-13	-14	-15	-42	-107
6. Add certain vaccines against Streptococcus Pneumoniae to the list of taxable vaccines in the Federal vaccine insurance program; study of Federal vaccine insurance program; reduce excise tax on all taxable vaccines to \$0.50 per dose beginning in 2005	[5] & tyba 12/31/04	4	7	9	10	10	-26	-38	-38	-39	-39	39	-141

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
7. Itemized deduction for certain nonprescription drug expenses of Medicare enrollees, and above-the-line deduction for prescription drug insurance coverage of Medicare beneficiaries if certain Medicare and low-income assistance provisions in effect	tyba 12/31/02	---	---	---	-6	-38	-42	-47	-53	-60	-68	-43	-314
Total of Health Care Provisions		-181	-277	-871	-2,147	-2,354	-2,813	-4,463	-7,895	-11,072	-11,791	-5,830	-43,864
VI. Estate and Gift Tax Relief Provisions													
1. Phase in repeal of estate, gift, and generation-skipping transfer taxes: beginning in 2001, convert the unified credit into a true exemption, repeal the 5% "bubble" (which phases out the lower rates); repeal rates in excess of 53%; in 2002, repeal rates in excess of 50%; in 2003 through 2006, reduce all rates by 1 percentage point a year; in 2007, reduce all rates by 1.5 percentage points; in 2008, reduce all rates by 2 percentage points; proportionately reduce State tax credit rates; beginning in 2009, repeal all of these taxes; carryover basis applies to transfers at death after 12/31/08, for estates with total assets of fair market value of \$2 million or more and spouse transfers of \$3 million or more	dda & gma 12/31/00	---	---	-4,166	-5,612	-6,379	-7,403	-8,431	-9,540	-10,902	-12,889	-16,157	-65,322
2. Provide deemed allocation of GST exemption	ta DOE	[3]	-1	-3	-4	-4	-4	-4	-4	-4	-4	-12	-32
3. Provide retroactive allocation of GST for unnatural orders of death	generally DOE	-3	-4	-5	-6	-6	-6	-6	-6	-6	-6	-24	-54
4. Allow severances of trusts holding property having an inclusion ratio of greater than zero	---	----- Included in Estate and Gift Item 3. -----											
5. Modify certain valuation rates	---	----- Included in Estate and Gift Item 3. -----											
6. Provide relief from late elections	---	----- Included in Estate and Gift Item 3. -----											
7. Provide rule of substantial compliance	---	----- Included in Estate and Gift Item 3. -----											
8. Expand estate tax rule for conservation easements - increase the 25-mile limit to 50 miles; increase 10-mile limit to 25 miles, and clarify that the date for determining easement compliance	dda 12/31/99 & dda 12/31/97	---	-10	-13	-19	-20	-20	-21	-22	-24	-26	-62	-175
Total of Estate and Gift Tax Relief Provisions		-3	-15	-4,187	-5,641	-6,409	-7,433	-8,462	-9,572	-10,936	-12,925	-16,255	-65,583
VII. Distressed Communities and Industries Provisions													
A. American Community Renewal Act of 1999													
1. Designate 20 renewal communities; provide various incentives (zero capital gains tax on certain 5-year investments; special deduction for real estate revitalization expenditures; special expensing for certain business property; work opportunity tax credit; remediation expenses; family development accounts) beginning 1/1/01 and ending 12/31/07 [6]	DOE	---	-129	-252	-288	-293	-305	-333	-424	-107	-18	-963	-2,151
B. Farming Incentive													
1. Provide that Federal farm production payments are taxable in the year of receipt (ignore election to take the payments in an earlier year unless exercised)	DOE	----- Negligible Revenue Effect -----											

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
C. Oil and Gas Incentives													
1. Allow 5-year carryback of oil and gas net operating losses	lii tyba 12/31/98	-46	-28	-24	-21	-20	-20	-21	-21	-22	-23	-139	-246
2. Allow delay rental payments to be deducted currently	tyba 12/31/99	-3	-4	-4	-4	-4	-4	-4	-3	-4	-5	-19	-39
3. Allow geological and geophysical costs to be deducted currently	tyba 12/31/99	-16	-25	-26	-27	-27	-28	-29	-29	-30	-31	-121	-267
4. Suspend the 65% of taxable income limit on percentage depletion for 6 years	tyba 12/31/98 & tybb 1/1/05	-10	-12	-15	-17	-20	-10	---	---	---	---	-74	-84
5. Modify the refining threshold in section 613(d)(4) from "on any given day" to average production	tyba 12/31/99	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-9	-19
D. Timber Incentives													
1. Increase maximum reforestation expenses qualifying for amortization and credit from \$10,000 to \$25,000; remove cap on amortization of reforestation costs in 2000 through 2003	epoii tyba 12/31/99	-5	-15	-22	-29	-34	-36	-38	-37	-33	-29	-104	-277
2. Section 631(b) treatment of sales of timber	sa DOE	----- Negligible Revenue Effect -----											
Total of Distressed Communities and Industries Provisions		-81	-215	-345	-388	-400	-405	-427	-516	-198	-108	-1,429	-3,083
VIII. Small Business Tax Relief Provisions													
1. Accelerate 100% self-employed health insurance deduction; extend eligibility for self-employed health insurance deduction to those who choose not to participate in employer-subsidized health plans	tyba 12/31/99	-245	-1,007	-1,040	-657	---	---	---	---	---	---	-2,949	-2,949
2. Increase section 179 expensing to \$30,000	tyba 12/31/99	-790	-880	-189	-95	2	-31	-90	-142	-157	-160	-1,954	-2,533
3. Accelerate repeal of the FUTA surtax	lpo/a 1/1/05	---	---	---	---	---	-1,029	-421	-21	1,058	413	---	---
4. Business meals deduction provisions:													
a. Increase business meals deduction (excluding entertainment expenses) by 5 percentage points per year beginning in 2006 until it reaches 60%	tyba 12/31/05	---	---	---	---	---	---	-307	-940	-1,286	-1,334	---	-3,867
b. Accelerate the 80% meals deduction for persons subject to the hours of service requirements by 1 year	DOE	---	---	---	---	---	---	---	-13	-13	---	---	-26
5. Coordinate farmer income averaging and the AMT and provide the same income averaging relief to commercial fishermen	tyba 12/31/99	[3]	-1	-1	-1	-2	-3	-3	-4	-5	-6	-8	-27
6. Create new Farm, Fish, and Ranch Risk Management ("FFARRM") Accounts	tyba 12/31/00	---	-7	-150	-208	-177	-145	-112	-49	-23	-23	-542	-895
7. Exclude investment securities income from passive income test	tyba 12/31/99	-2	-2	-2	-2	-2	-2	-2	-3	-3	-3	-10	-23
8. Treatment of qualifying director shares	tyba 12/31/99	-1	-3	-5	-7	-9	-11	-13	-15	-17	-18	-26	-100
Total of Small Business Tax Relief Provisions		-1,038	-1,900	-1,387	-970	-188	-1,221	-948	-1,187	-446	-1,131	-5,489	-10,420
IX. International Tax Relief Provisions													
1. Allocate interest expense on worldwide basis	tyba 12/31/01	---	---	-825	-2,641	-2,839	-3,052	-3,281	-3,527	-3,792	-4,076	-6,305	-24,033
2. Simplify and apply look-through treatment for dividends of 10/50 companies and for separate basket excess credit carryovers	tyba 12/31/01	---	---	-116	-451	-172	-63	-32	-22	-17	-12	-739	-885

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
3. Exception from subpart F treatment for certain pipeline transportation and electricity transmission income	tyba 12/31/01	---	---	-3	-10	-13	-15	-17	-20	-23	-25	-26	-126
4. Recharacterize overall domestic loss	tyba 12/31/05	---	---	---	---	---	---	-223	-471	-494	-529	---	-1,717
5. Repeal limitation on foreign sales corporation tax benefits for defense products	tyba 12/31/01	---	---	-45	-108	-121	-136	-153	-173	-194	-215	-274	-1,145
6. Treatment of regulated investment companies	mf tyba 12/31/04	---	---	---	---	---	-82	-153	-162	-171	-182	---	-750
7. Repeal special foreign tax credit rules for foreign oil and gas income	tyba 12/31/07	---	---	---	---	---	---	---	---	-418	-1,259	---	-1,677
8. Prohibit disclosure of advance pricing agreements (APAs) and related information; require the IRS to submit to Congress an annual report of such agreements; APA user fee	DOE	----- Negligible Revenue Effect -----											
9. Increase the section 911 exclusion by \$3,000 per year starting in 2003 until it reaches \$95,000; index for inflation in 2008, for inflation occurring after 2006	1/1/03	---	---	---	-24	-48	-80	-107	-131	-155	-184	-72	-729
10. Exempt from the 7.5% air passenger ticket tax frequent flier miles to persons with foreign addresses	raa 12/31/04	---	---	---	---	---	-34	-29	-29	-30	-32	---	-155
Total of International Tax Relief Provisions		---	---	-989	-3,234	-3,193	-3,462	-3,995	-4,535	-5,294	-6,514	-7,416	-31,217
X. Tax-Exempt Organization Provisions													
1. Provide a tax exemption for organizations created by a State to provide property and casualty insurance coverage for property for which such coverage is otherwise unavailable	tyba 12/31/99	-2	-4	-4	-4	-5	-5	-6	-7	-8	-8	-18	-53
2. Modify special provision for a permanent university fund	tyba 12/31/99	[3]	-1	-1	[3]	[3]	[1]	[3]	-1	[3]	[3]	-2	-3
3. Authorize the Secretary of the Treasury to grant waivers from section 4941 self-dealing prohibitions	DOE	----- Negligible Revenue Effect -----											
4. Extend declaratory judgement remedy to certain organizations seeking determinations of tax-exempt status	DOE	----- Negligible Revenue Effect -----											
5. Modify section 512(b)(13) to exempt income received by a tax-exempt organization from certain subsidiaries when fair market value pricing is used, excess of fair market value subject to UBIT and 20% penalty tax, and extension of transition relief for certain binding contracts	DOE & proaa 12/31/99	-7	-9	-11	-11	-11	-11	-12	-12	-12	-13	-49	-110
6. Tax exclusion for mileage reimbursements by public charities not in excess of standard business mileage rate	tyba 12/31/99	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-2
7. Charitable deduction for certain expenses in support of Native Alaskan subsistence whaling	tyba 12/31/99	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-3
8. Simplify lobbying expenditure limitations	tyba 12/31/99	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1
9. Tax-Free withdrawals from IRAs for charitable donations to charitable organizations after age 70.5	tyba 12/31/02	---	---	---	-172	-240	-229	-231	-233	-235	-238	-412	-1,578
Total of Tax-Exempt Organization Provisions		-9	-14	-16	-187	-256	-245	-249	-253	-255	-259	-483	-1,750

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
XI. Real Estate Tax Relief Provisions													
A. Improvements in the Low-Income Housing Credit													
1. Low-income housing tax credit - increase per capita credit by \$0.10 per year through 2004; thereafter COLA; \$2 million small State minimum beginning in 2000; COLA beginning in 2005; modify stacking rules and credit allocation rules; certain Native American housing assistance disregarded in determining whether building is Federally subsidized for purposes of the low-income housing credit	tyba 12/31/99	-5	-26	-75	-152	-258	-391	-545	-713	-893	-1,087	-515	-4,145
B. Real Estate Investment Trust (REIT) Provisions													
1. Impose 10% vote or value test	tyba 12/31/00	---	2	8	8	8	9	9	9	10	10	26	73
2. Treatment of income and services provided by taxable REIT subsidiaries	tyba 12/31/00	---	60	158	53	23	-9	-45	-84	-127	-173	294	-145
3. Personal property treatment for determining rents from real property for REITs	tyba 12/31/00	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
4. Special foreclosure rule for health care REITs	tyba 12/31/00	----- Negligible Revenue Effect -----											
5. Conformity with RIC 90% distribution rules	tyba 12/31/00	---	1	1	1	1	1	1	1	1	1	3	5
6. Clarification of definition of independent operators for REITs	tyba 12/31/00	----- Negligible Revenue Effect -----											
7. Modification of earnings and profits rules	da 12/31/00	---	-6	-3	-3	-3	-4	-4	-4	-4	-4	-16	-35
C. Modify At-Risk Rules for Publicly Traded Securities	diia 12/31/99	[3]	-2	-4	-5	-6	-8	-10	-12	-14	-16	-19	-78
D. Treatment of Certain Contributions to Capital of Retailers - amend section 118 to clarify the tax treatment of certain construction allowances or contributions received by retail operators	ara 12/31/99	-1	-2	-6	-10	-14	-18	-22	-27	-31	-36	-32	-166
E. Accelerate 5-year phase in of private activity bond volume cap	bia 12/31/99	-4	-27	-73	-133	-193	-240	-265	-264	-248	-228	-430	-1,675
D. Deduction for Renovating Historic Homes - miscellaneous itemized deduction for 50% of cost for renovating owner-occupied historic homes up to maximum of \$50,000; adjustment to basis	eia 12/31/99	-28	-110	-114	-116	-118	-120	-122	-124	-142	-148	-486	-1,142
Total of Real Estate Tax Relief Provisions		-38	-111	-109	-358	-561	-781	-1,004	-1,219	-1,449	-1,682	-1,178	-7,315
XII. Pension Reform Provisions													
A. Provisions for Expanding Coverage													
1. Increase contribution and benefit limits:													
a. Increase limitation on exclusion for elective deferrals to \$11,000 in 2001, \$12,000 in 2002, \$13,000 in 2003, \$14,000 in 2004, \$15,000 in 2005; index in \$500 increments thereafter [7] [8]	yba 12/31/00	---	-131	-315	-465	-561	-638	-694	-741	-788	-835	-1,472	-5,168
b. Increase limitation on SIMPLE elective contributions to \$7,000 in 2001, \$8,000 in 2002, \$9,000 in 2003, \$10,000 in 2004; index in \$500 increments thereafter [7] [8]	yba 12/31/00	---	-5	-14	-22	-27	-29	-29	-30	-32	-33	-67	-220
c. Increase defined benefit dollar limit to \$160,000	yba 12/31/00	---	-18	-31	-40	-45	-48	-50	-53	-55	-57	-134	-396
d. Lower early retirement age to 62; lower normal retirement age to 65	yba 12/31/00	---	-3	-4	-4	-4	-5	-5	-5	-5	-5	-16	-40

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
e. Increase annual addition limitation for defined contribution plans to \$40,000 [7]	yba 12/31/00	---	-6	-11	-13	-14	-15	-16	-16	-17	-18	-44	-125
f. Increase qualified plan compensation limit to \$200,000 [7]	yba 12/31/00	---	-40	-69	-78	-83	-89	-95	-101	-107	-113	-270	-776
g. Increase limits on deferrals under deferred compensation plans of State-local governments and tax-exempt organizations to \$11,000 in 2001, \$12,000 in 2002, \$13,000 in 2003, \$14,000 in 2004, \$15,000 in 2005 [7]	yba 12/31/00	---	-51	-90	-104	-115	-123	-130	-138	-143	-146	-360	-1,039
2. Plan loans for subchapter S owners, partners, and sole proprietors	yba 12/31/00	---	-20	-30	-32	-35	-37	-39	-41	-44	-46	-117	-325
3. Modification of top-heavy rules	pyba 12/31/00	---	-4	-9	-11	-12	-14	-16	-17	-19	-21	-36	-123
4. Elective deferrals not taken into account for purposes of deduction limits	yba 12/31/00	---	-38	-71	-81	-85	-89	-93	-97	-101	-104	-275	-759
5. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations	yba 12/31/00	---	-16	-22	-22	-22	-22	-23	-24	-25	-26	-82	-202
6. Elimination of user fee for certain requests regarding employer pension plans; waiver applies only for request made during first 5 plan years [9]	rma 12/31/00	---	-9	-5	-5	-5	-5	-5	-6	-6	-6	-24	-52
7. Definition of compensation for purposes of deduction limits [7]	yba 12/31/00	---	-1	-2	-3	-3	-3	-3	-3	-3	-3	-9	-24
8. Option to treat elective deferrals as after-tax contributions	tyba 12/31/00	---	50	100	131	144	89	-2	-104	-218	-345	426	-155
8. Reduce PBGC premium for new plans of small employers [9]	pea 12/31/00	---	---	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	-1	-3
9. Phase-in of additional PBGC premium for new plans; include additional variable premium relief for small employers [9]	pea 12/31/00	---	---	[10]	[10]	[10]	[10]	[10]	[10]	[10]	[10]	-9	-26
Subtotal of Provisions for Expanding Coverage		---	-292	-576	-752	-870	-1,031	-1,203	-1,379	-1,566	-1,761	-2,490	-9,433
B. Provisions for Enhancing Fairness for Women													
1. Additional catch-up contributions for individual age 50 and above - increase in maximum contribution limits for pension plans by 10% annually beginning in 2001, not to exceed 50%; sunset 12/31/08	yba 12/31/00	---	-73	-151	-130	-95	-82	-81	-84	-86	-43	-449	-825
2. Equitable treatment for contributions of employees to defined contribution plans [7]	yba 12/31/00	---	-50	-75	-81	-87	-92	-97	-103	-107	-110	-294	-804
3. Faster vesting of certain employer matching contributions	pyba 12/31/00	----- Negligible Revenue Effect -----											
4. Simplify and update the minimum distribution rules by modifying post-death distribution rules, reducing (to 10%) the excise tax on failures to make minimum distributions, and directing the Treasury to simplify and finalize regulations relating to the minimum distribution rules	yba 12/31/00	---	-118	-212	-239	-268	-297	-330	-366	-402	-441	-837	-2,673
5. Clarification of tax treatment of division of section 457 plan benefits upon divorce	tdapma 12/31/00	----- Negligible Revenue Effect -----											

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
12. Extension to international organization of moratorium on application of certain nondiscrimination rules applicable to State and local government plans	yba 12/31/00	----- Negligible Revenue Effect -----											
Subtotal of Provisions for Reducing Regulatory Burdens		-5	-29	-57	-72	-78	-81	-85	-89	-91	-94	-241	-681
F. Provisions relating to plan amendments	DOE	----- No Revenue Effect -----											
Total of Pension Reform Provisions		-5	-580	-1,110	-1,326	-1,453	-1,638	-1,854	-2,080	-2,312	-2,512	-4,474	-14,874
XIII. Miscellaneous Provisions													
A. Provisions Primarily Affecting Individuals													
1. Treatment of payments to public safety officer survivors	[13]	-1	-2	-2	-2	-2	-2	-1	-1	-1	-1	-8	-15
2. Increase phaseout of the DC first-time homebuyer credit for joint filers to \$140,000 - \$180,000	po/a DOE	-1	-2	[3]	[3]	[3]	---	---	---	---	---	-3	-3
3. No Federal income tax on amounts and lands received by holocaust victims or their heirs	ara DOE	-3	-14	-17	-17	-12	[14]	[14]	[14]	[14]	[14]	-63	-64
B. Provisions Primarily Affecting Businesses													
1. Allow income from publicly traded partnerships to be qualifying income for regulated investment companies	mf tyba 12/31/00	---	-4	-9	-13	-17	-20	-23	-25	-28	-30	-43	-170
2. Equalize the tax treatment of oversized "clean fuel" vehicles and electric vehicles	1/1/00	[3]	[3]	[3]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[3]	[1]
3. Nuclear decommissioning costs: one-time transfer of non-qualified funds, with amortization over remaining useful life beginning in 2002; modify section 468A to eliminate cost of service requirement in determining nuclear decommissioning costs and clarify treatment of funds transfers	generally tyba 12/31/99	-24	-51	-89	-126	-128	-130	-131	-132	-132	-132	-418	-1,075
4. Repeal 5-year limitations relating to life insurance companies filing a consolidated tax return with an affiliated group of nonlife insurance companies effective 2001; and repeal 5-year rule related to applying losses of non-life companies against income of affiliated life insurance companies, effective 2006	tyba 12/31/00 & tyba 12/31/05	---	-42	-85	-86	-88	-90	-151	-213	-217	-219	-301	-1,189
5. Simplify the active trade or business requirement for tax-free spin-off	da DOE	-3	-5	-5	-5	-5	-5	-5	-5	-5	-5	-23	-48
6. Modify definition of personal holding company and treat all lending or finance businesses of a controlled corporate group as a single corporation	tyba 12/31/99	-4	-10	-17	-24	-27	-28	-28	-28	-29	-30	-82	-227
7. Brownfields environmental remediation expanded to include all sites except Superfund sites	eia 12/31/99	-19	-19	-5	[3]	[1]	1	2	2	3	5	-42	-29
C. Provisions Relating to Excise Taxes													
1. Repeal 0.1 cent per gallon LUST tax on railroads (10/1/99); consolidate Superfund and LUST trust funds; repeal 4.3-cents-per-gallon tax on railroad fuel and inland waterway fuel currently paid into the General Fund (10/1/03)	10/1/99 & 10/1/03	-2	-2	-2	-2	-117	-125	-128	-131	-134	-137	-125	-780

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
2. Repeal 10% excise tax on fishing tackle boxes; increase transfer of motor boat gasoline revenues to Aquatic Resources Trust Fund by \$0.002	30da DOE	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
3. Add inserts and outserts to arrow excise tax; reduce excise tax rate on "broadhead" arrow points	fcqb 30da DOE	----- Negligible Revenue Effect -----											
4. Treat small seaplanes as general aviation for purposes of the aviation excise taxes	tba 12/31/99	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-11
5. Clarify the definition of rural airport to include communities that cannot be reached by road	tyba 12/31/99	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-3
D. Other Provisions													
1. Allow a limited number of private highway projects to qualify for tax-exempt-facility bond financing	bia 12/31/99	---	---	-2	-5	-9	-12	-15	-18	-22	-25	-15	-107
2. Exempt from tax distributions from Alaska Native Corporations to Alaska Native Settlement Trusts; distribution of principal to beneficiaries taxed as ordinary income; income earned by the trust treated as under present law	da 12/31/99	[3]	-1	-2	-2	-2	-2	-2	-1	-1	-1	-7	-13
4. Increase the Joint Committee on Taxation refund review threshold from \$1 million to \$2 million	DOE	----- Negligible Revenue Effect -----											
E. Tax Court Provisions [9]	DOE	----- Negligible Revenue Effect -----											
F. Tax credit for clinical testing research expenses attributable to certain qualified academic institutions including teaching hospitals	tyba 12/31/98	-2	-1	-1	-1	-1	-1	-1	-1	-1	-1	-6	-14
L. Allow Farmer Cooperatives to Pay Dividends on Capital Stock Without Reducing Patronage Dividends	tyba DOE	[3]	[3]	-1	-1	-1	-1	-2	-2	-3	-4	-3	-15
Total of Miscellaneous Provisions		-63	-157	-241	-288	-413	-419	-489	-559	-574	-584	-1,160	-3,793
XIV. Extensions Expiring Provisions													
1. Research tax credit, and increase AIC rates by 1 percentage point (through 6/30/04)	[15]	-1,657	-1,853	-2,226	-2,537	-2,238	-1,340	-707	-433	-127	---	-10,510	-13,115
2. Exemption from Subpart F for active financing income (through 12/31/04)	tyba 1999	-187	-827	-992	-1,190	-1,369	-1,156	---	---	---	---	-4,565	-5,721
3. Suspension of 100% net income limitation for marginal properties (through 12/31/04)	tyba 12/31/99	-23	-35	-36	-36	-37	-13	---	---	---	---	-167	-180
4. Work opportunity tax credit (through 12/31/01)	wpoifibwa 6/30/99	-229	-321	-293	-151	-58	-19	-3	---	---	---	-1,053	-1,074
5. Welfare-to-work tax credit (through 12/31/01)	wpoifibwa 6/30/99	-49	-77	-79	-47	-19	-7	-2	---	---	---	-271	-280
6. Extend and modify tax credit for electricity produced from wind and closed-loop biomass facilities - credit to include electricity produced from poultry waste (through 6/30/03)	[16]	-9	-25	-42	-57	-63	-65	-66	-68	-70	-70	-195	-534
Total of Extensions of Expiring Provisions		-2,154	-3,138	-3,668	-4,018	-3,784	-2,600	-778	-501	-197	-70	-16,761	-20,904
XV. Revenue Offset Provisions													
1. Information reporting on cancellation of indebtedness by non-bank financial institutions	coda 12/31/99	---	7	7	7	7	7	7	7	7	7	28	63
2. Extension of IRS user fees (through 9/30/09) [9]	9/30/03	---	---	---	---	50	53	56	59	61	64	50	343
3. Impose limitation on pre-funding of certain employee benefits	cpoaa 6/9/99	115	141	147	149	140	129	118	105	90	74	693	1,209

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
4. Increase to 15% (from 10%) optional withholding rate for nonperiodic payments from deferred compensation plans	dma 12/31/00	---	52	1	1	1	1	1	1	1	1	55	59
5. Modify estimated tax rules for closely-owned REIT dividends	epdo/a 9/15/99	40	1	1	1	1	1	1	1	1	1	45	52
6. Prevent the conversion of ordinary income or short-term capital gains into income eligible for long-term capital gain rates	teio/a 7/12/99	15	45	47	49	51	54	58	62	66	70	207	517
7. Allow employers to transfer excess defined benefit plan assets to a special account for health benefits of retirees (through 9/30/09)	tmi tyba 12/31/00	---	19	38	39	40	41	42	42	43	44	136	348
8. Repeal installment method for most accrual basis taxpayers; adjust pledge rules	iso/a DOE	477	677	406	257	72	8	21	35	48	62	1,889	2,063
9. Limit use of non-accrual experience method of accounting to amounts to be received for the performance of qualified professional services	tyea DOE	77	60	33	28	10	12	14	16	18	20	208	288
10. Deny deduction and impose excise tax with respect to charitable split-dollar life insurance arrangements	[17]	----- Negligible Revenue Effect -----											
11. Modify treatment of closely-held REITs, with incubator REIT exception; grandfather REIT transaction in progress	tyea 7/14/99	2	5	5	5	6	6	6	6	7	7	23	55
12. Modify anti-abuse rules related to assumption of liabilities; modify to provide that similar rules apply to partnerships	aolo/a 7/15/99	6	11	10	10	9	9	9	9	9	8	46	90
13. Require consistent treatment and provide basis allocation rules for transfers of intangibles in certain nonrecognition transactions	to/a DOE	25	26	28	29	30	32	34	35	37	39	138	315
14. Distributions by a partnership to a corporate partner of stock in another corporation	[18]	4	9	10	10	9	9	9	9	9	8	42	86
15. Prohibited allocation of stock in an ESOP of a subchapter S corporation	[19]	[20]	[20]	[20]	[20]	[20]	[20]	[20]	[20]	[20]	[20]	17	47
Total of Revenue Offset Provisions		763	1,056	737	589	431	367	382	393	403	411	3,577	5,535
NET TOTAL		-5,273	-1,079	-34,710	-53,054	-61,737	-85,464	-116,941	-140,105	-167,924	-125,560	-155,863	-791,875

ADDENDUM: TAX CUT TARGET	-14,000	-7,800	-53,500	-31,800	-49,200	-62,600	-109,300	-135,800	-150,700	-177,200	-156,300	-791,900
---------------------------------------	----------------	---------------	----------------	----------------	----------------	----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend and Footnotes for JCX-61-99 R:

Legend for "Effective" column:

aiii TRA'97 = as if included in the Taxpayer Relief Act of 1997
aolo/a = assumption of liabilities on or after
ara = amounts received after
bia = bonds issued after
coda = cancellation of indebtedness after
cpoaa = contributions paid or accrued after
da = distributions after
dda = decedents dying after
diia = debt instruments issued after
dma = distributions made after
DOE = date of enactment
eia = expenses incurred after
epdo/a = estimated payments due on or after
epoii = expenses paid or incurred in
fcqb = first calendar quarter beginning at least
gma = gifts made after
iso/a = installment sales on or after
lil = losses incurred in
lpo/a = labor performed on or after
mf = mutual funds
noitta = notice of intent to terminate after

pateo/a = plan amendments taking effect on or after
pea = plans established after
po/a = purchases on or after
proaa = payments received or accrued after
pyba = plan years beginning after
raa = rights awarded after
rma = requests made after
sa = sales after
sbwi = stock becoming worthless in
ta = transfers after
tba = transportation beginning after
tdapma = transfers, distributions, and payments made after
teio/a = transactions entered into on or after
to/a = transactions on or after
tmi = transfers made in
tyba = taxable years beginning after
tybb = taxable years beginning before
tyea = taxable years ending after
wpoifibwa = wages paid or incurred for individuals beginning work after
yba = years beginning after
30da = 30 days after

- [1] Gain of less than \$500,000.
[2] Estimate considers interaction with HOPE and Lifetime Learning tax credits.
[3] Loss of less than \$500,000.
[4] Estimate assumes concurrent enactment of the above-the-line deduction for long-term care insurance (item 2. under Health Care Tax Relief Provisions).
[5] Effective for vaccine sales the date after the date on which the Centers for Disease Control make final recommendation for routine administration of conjugate *Streptococcus Pneumoniae* vaccines to children.
[6] Estimate does not include outlay effects of renewal community provision.
[7] Provision includes interaction with other provisions in Provisions for Expanding Coverage.
[8] Provision includes interaction with the IRA provisions in II., Savings and Investment Tax Relief Provisions.
[9] Estimate provided by the Congressional Budget Office.
[10] Loss of less than \$5 million.
[11] Effective for distributions from terminating plans that occur after the PBGC has adopted final regulations implementing provision.
[12] Directs the Secretary of the Treasury to modify rules through regulations.
[13] Effective for payments received after 12/31/99 with respect to all officers.
[14] Loss of less than \$1 million.
[15] Extension of credit effective for expenses incurred after 6/30/99; increase in AIC rates effective for taxable years beginning after 6/30/99.
[16] For wind and closed-loop biomass, provision applies to production from facilities placed in service after 6/30/99 and before 7/1/04; for poultry waste and landfill gas, provision applies to production from facilities placed in service after 12/31/99 and before 7/1/04; for other biomass, provision applies to production after 12/31/99 from facilities placed in service before 1/1/03.
[17] Effective for transfers made after 2/8/99 and for premiums paid after the date of enactment.
[18] Effective 7/14/99 (except with respect to partnerships in existence on 7/14/99, the provision is effective on the date of enactment).
[19] Effective with respect to ESOPs established on or after July 15, 1999; in the case of an ESOP established by an S corporation before such date, the provision would apply to plan years beginning after 12/31/00.
[20] Gain of less than \$10 million.